



Analysis  
and Followup

INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
ARLINGTON, VIRGINIA 22202-2884

COMM CIM

MAR 22 1990  
Please call -  
Mike McGrath  
and give him  
a point of contact  
from CIM.  
Cindy.

MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (PRODUCTION AND LOGISTICS)

SUBJECT: General Accounting Office (GAO) Letter Dated March 13, 1990, "Computer-Aided Acquisition And Logistics Support (CALS) Program" (GAO Code 510547)--  
NOTIFICATION OF GAO REVIEW

On March 21, 1990, the Department of Defense (DoD) received the official GAO notification letter on the subject audit effort. A copy is enclosed for your records.

As indicated in the GAO notice, the GAO intends to review (1) the status of individual CALS projects and the overall program, (2) whether coordination among DoD components and private industry is working effectively, (3) what cost savings and other benefits have been achieved or are expected from the program, and (4) the relationship between CALS program and the DoD Corporate Information Management initiative. According to the GAO staff, this effort is being performed for Chairman Earl Hutto, Subcommittee on Readiness, House Committee on Armed Services. The Chairman is concerned whether the cost of CALS is worth the benefits expected from the program.

DoD Directive 7650.2 designates this office as the central DoD liaison for tasking, controlling, and monitoring GAO survey, review, and report activities. Information Sheet-Series A (copy enclosed) describes the specific DoD procedures for tasking surveys/reviews and the DoD primary action office (PAO) and PAO action officer responsibilities. We are advised that Dr. Michael McGrath (x71366) is your action officer for this case.

Your action officer should arrange an entrance meeting with the GAO, as soon as one can be arranged, to identify and discuss the detailed GAO work plans. Your action officer should also alert this office when the entrance meeting is scheduled so a representative from this office may attend.

The GAO entrance meeting should be a joint, headquarters-level meeting (i.e., one that includes all the cognizant DoD components) to ensure that all the involved OSD offices, Services, Defense Agencies, Joint Staff, and Unified/Specified Commands are informed about the GAO effort and have an opportunity to ask questions. A joint entrance meeting also enables the DoD to identify the proper contacts for the GAO audit effort, and it affords the PAO action officer an opportunity to

identify component contact points to use in staying informed on GAO work at the components.

DoD Directive 7650.2 requires that the PAO keep this office informed on the ongoing GAO activities. For this purpose, Information Sheet-Series A requires regular, written status reports. (Reports directly from your action officer to the action officer identified at the end of this memorandum are acceptable.) Because this is a review, status reports are required every 60 days. The first one is due by May 30, 1990. The status reports need not be extensive, but should discuss:

- substantive issues that the GAO work is raising;
- whether the GAO is using any questionnaire or other data collection instrument in the work that has not been coordinated with this office;
- potential GAO observations, findings, conclusions, and recommendations; and
- GAO plans/timeframes for briefing the Congress, presenting testimony, or issuing a draft or final report.

Your action officer should schedule an interim-status meeting with the GAO and cognizant DoD component representatives before any GAO congressional briefing or testimony based on this audit work. Your action officer should also schedule an exit meeting before the GAO issues a report based on the work. In addition, your action officer should alert this office when the interim-status/exit meeting is scheduled so a representative from this office may attend.

The interim-status and exit meetings are particularly important because these meetings may effectively be the only DoD opportunity to comment on GAO work that could result in budget reductions and/or program direction decisions by the Congress long before any GAO report is issued. Accordingly, your action officer should ask the GAO staff to informally share information that the GAO has developed--fact sheets, draft reports or other written documents not yet officially issued--so that DoD officials may review them for accuracy and completeness at the interim-status/exit meeting. A representative from this office should be alerted whenever the GAO distributes written information for review and informal comments.

All the involved DoD components are requested to inform your office and this office whenever the GAO requests an interim-status or exit meeting with them (i.e., provide advance notice of the meeting, forward copies of memoranda for the record on the meetings and any GAO document discussed). This information is important because the PAO is ultimately responsible for

MAR 22 1990

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responding to GAO reports (and other documents) on behalf of the Secretary of Defense.

Staying informed on GAO survey/review activity depends on the PAO, the other involved DoD components, and this office working together closely. We request your full support in these efforts to prevent surprises related to the GAO audit and to ensure that the DoD is in a position to realize the maximum benefits possible from this GAO audit work.

Questions may be directed to this office's action officer, Joe Malloy (x30214). If he is not available, please contact me at the same number.

*Judy Kopff*  
*for*

William H. Price, Jr.  
Director, GAO Surveys/Reviews

Enclosures

Info Copies: SEC ARMY  
SEC NAVY  
SEC AIR FORCE  
CMDT, USMC  
USD(A)  
USD(P)  
ASD(C3I)  
ASD(FM&P)  
ASD(LA)  
ASD(P&L)  
ASD(PA&E)  
COMP  
DIR, OT&E  
AGC(F&IG)  
DIR, JS  
USCINCLANT  
USCINCCENT  
USCINCEUR  
USCINCPAC  
USCINCSOUTH  
USCINCSpace  
USCINCSOC  
USCINCTrans  
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United States  
General Accounting Office  
Washington, D.C. 20548

OFFICE OF THE  
SECRETARY OF DEFENSE

90 MAR 19 AM 8:23

National Security and  
International Affairs Division

MAR 21 1990

March 13, 1990

The Honorable Richard B. Cheney  
The Secretary of Defense

Attention: DOD Office of the Inspector General  
Deputy Assistant Inspector General  
for Report Analysis

Dear Mr. Secretary:

Our Information Management And Technology Division is starting a review of the Computer-Aided Acquisition and Logistics Support (CALS) program. This review is in response to a congressional request that we determine (1) the status of individual CALS projects and the overall program, (2) whether coordination among DOD components and private industry is working effectively, (3) what cost savings and other benefits have been achieved or are expected from the program, and (4) the relationship between CALS and DOD's Corporate Information Management initiative.

We plan to perform the work primarily at DOD and service component headquarter organizations in Washington D.C. and at selected field activities responsible for individual CALS projects. We plan to start work immediately under assignment code 510547. We will separately notify activity commanders prior to any field visits. Inquiries regarding this assignment should be directed to Mr. John Stephenson at (202) 275-4649.

Sincerely yours,

Frank C. Conahan  
Assistant Comptroller General

cc: Secretaries of the Army, Navy, and Air Force

05168

April 19, 1990

MEMORANDUM FOR THE RECORD

SUBJECT: Briefing to GAO on CALS

At 1:30 p.m. today I attended subject briefing, which was given by Dr. McGrath of the OSD CALS Office. Attached is a copy of the briefing slides.

Dr. McGrath began with some background on how the CALS program began. Its genesis was a 1984 IDA study, which begat a 1985 DoD policy memo which launched the CALS initiative. In 1986 the OSD CALS Office was established. In 1988 another OSD policy memo directed the Services' acquisition communities to begin adopting standards, developing infrastructure needed to use them, and writing specifications for use in contracts. The CALS policy direction specifically included a requirement to be able to receive and use digital information from the contractors. GAO has been given copies of the 1985 and 1988 memos.

A major theme was that CALS is DoD's response to a larger national strategy which began in the mid-1980's--transition to digital data. The CALS/CE (concurrent engineering) Industry Steering Group is helping to develop that national strategy. The CALS target is (1) interoperability and (2) commonality where it makes sense. (An interesting side note is that the General Motors Corporation "C4 Program" was characterized as GM's "internal CALS program".)

The CALS Test Network (CTN) provides DoD with capability to test and prove out proposed CALS standards and applications. Air Force is lead service for managing CTN.

Contact Test Set II (CTS II) is a paperless video device for technical manuals. JUSTIS was emphasized as an emerging joint service program for technical manuals.

In contrast to the GAO in-briefing, the ELG was not even mentioned during this briefing and the CIM program was only mentioned in passing a couple of times--by Dr. McGrath, not GAO. I made note of the main questions asked by Mr. Stevenson, the GAO Assistant Director in charge of this survey:

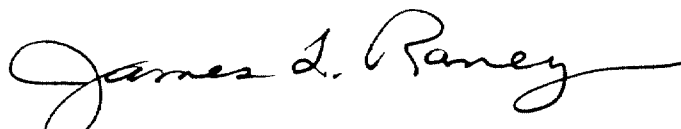
Q: What functional areas is CALS impacting?

A: The individual Services' programs may impact different functions. Army, Navy, and Air Force briefings over the next three days (Friday, Monday, and Tuesday) will cover that.

- Q: What needs to happen in order to make CALS even better than it is today (omit the increase in resources answer)?
- A: Improved industry participation. Currently industry participates on a voluntary, self-interest basis. DoD needs to be smarter on how to get industry to do more without providing additional government resources.
- Q: How would you assess the level of Congressional understanding and support of CALS?
- A: There is some name recognition and expressed interest, but little real understanding. On the House side, Dave Kilian is the only person with any degree of high-level understanding of CALS, and his focus has been on higher priority issues, such as MAISRCs. Occasionally, interest will be expressed along the lines of "how can I get a CALS function going in my district/state". Nobody on the Senate side has even a high-level understanding of CALS.

Mr. Stevenson commented that the reason GAO is here is that the HASC saw CALS as one of the DMR initiatives and did not understand it.

The meeting ended pleasantly with GAO anticipating more detailed briefings by the Services over the next three days, followed by a visit to NIST to be scheduled later.

  
James L. Raney

cc:  
Cindy Kendall  
Bel Leong-Hong  
Burt Newlin  
Nelson Miller

# CALS OVERVIEW

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## Scope

Weapon system technical information for acquisition, engineering, manufacturing and support processes.

## Objective

Enable process improvements by creating an automated environment for:

- o Integration of contractor systems and processes
- o Specified Gov't access to contractor maintained data bases
- o Paperless delivery of technical data using industry standards

## Benefits

Better quality, shorter leadtimes, lower costs

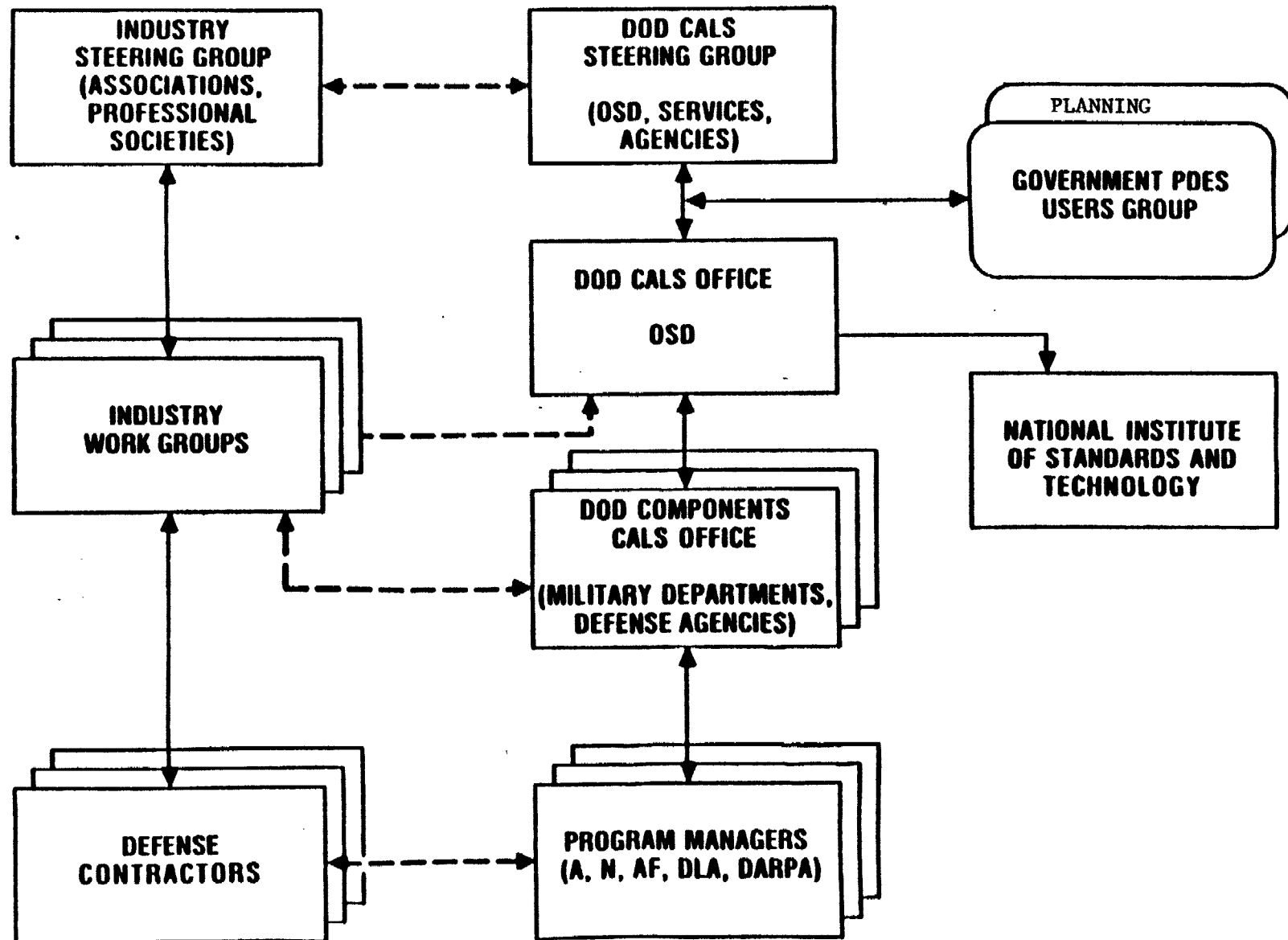
# **CALS STRATEGY**

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- o Build on industry trends. Focus and accelerate.**
- o Manage key areas to enable implementation**
  - Standards**
  - Technology Development and Demonstration**
  - Acquisition Policy and Incentives**
  - DoD Infrastructure Modernization**



# CALS MANAGEMENT ORGANIZATION



# DoD CALS IMPLEMENTATION

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	OSD	SERVICES/DLA
STANDARDS	DEVELOP AND TEST STANDARDS	INCORPORATE IN WS AND ADP SYSTEMS PARTICIPATE IN CTN
ACQUISITION GUIDANCE	ACQUISITION POLICY DEFENSE ACQUISITION REVIEWS	CONTRACTS/RFP's SERVICE ACQUISITION REVIEWS
TECHNOLOGY	SPONSOR TECHNOLOGY DEVELOPMENT AND DEMOS	FUNDED R&D PROJECTS WEAPON SYSTEM DEMONSTRATIONS
INFRASTRUCTURE	CORPORATE ARCHITECTURE INTEROPERABILITY RQMTS	ADP MODERNIZATION AND INTEGRATION SERVICE ARCHITECTURE
MANAGEMENT	CORPORATE PLANNING AND POLICY INTERFACE WITH INDUSTRY	SERVICE/DLA CALS OFFICES EDUCATION

# ARMY CALS IMPLEMENTATION

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OSD

ARMY

## STANDARDS

DEVELOP AND TEST STANDARDS

IMPLEMENTED IN ARMY CONTRACTS  
ARMY CALS TESTBED

## ACQUISITION GUIDANCE

ACQUISITION POLICY  
DEFENSE ACQUISITION REVIEWS

LH PATRIOT FAADS SDS ASA  
HOWITZER IMP MLRS BC WARHEAD  
NBC RECON SYS LANCE FOLLOW-ON  
AAWS AAWS-M AAWS-H AH-64

## TECHNOLOGY

SPONSOR TECHNOLOGY  
DEVELOPMENT AND DEMOS

LEAD SYSTEM - LH  
CTS II

## INFRASTRUCTURE

CORPORATE ARCHITECTURE  
INTEROPERABILITY RQMTS

ACALS DSREDS TD/CMS JUSTIS

## MANAGEMENT

CORPORATE PLANNING AND POLICY  
INTERFACE WITH INDUSTRY

DA CALS POLICY OFFICE  
PM CALS  
TRAINING AT ALMC, FT. LEE

# NAVY CALS IMPLEMENTATION

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	OSD	NAVY
<b>STANDARDS</b>	DEVELOP AND TEST STANDARDS	IMPLEMENTED IN NAVY CONTRACTS DAVID TAYLOR RESEARCH CENTER
<b>ACQUISITION GUIDANCE</b>	ACQUISITION POLICY DEFENSE ACQUISITION REVIEWS	SSN-21, V-22, A-12, P-7A OTHER CANDIDATES BEING IDENTIFIED
<b>TECHNOLOGY</b>	SPONSOR TECHNOLOGY DEVELOPMENT AND DEMOS	LEAD SYSTEMS: SSN-21, V-22, A-12, P-7A MCM RAMP JUSTIS CBAT AIM CATIS IDSS
<b>INFRASTRUCTURE</b>	CORPORATE ARCHITECTURE INTEROPERABILITY RQMTS	EDMICS CAD-2 NAPS (TMPODS, MEPS, ETC)
<b>MANAGEMENT</b>	CORPORATE PLANNING AND POLICY INTERFACE WITH INDUSTRY	LOGISTICS POLICY OFFICE (OP403) ACQ/LOG MGMT TRG. CTR, ANACOSTIA

# AIR FORCE CALS IMPLEMENTATION

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	OSD	AIR FORCE
STANDARDS	DEVELOP AND TEST STANDARDS	IMPLEMENTED IN AF CONTRACTS CALS TEST NETWORK MGMT
ACQUISITION GUIDANCE	ACQUISITION POLICY DEFENSE ACQUISITION REVIEWS	ATF C-17 B-2 SRAM II JSTAR MILSTAR LANTRIN AWACS-RADAR REACT PEACEKEEPER SMALL ICBM RAIL GARRISON HV MISSILE
TECHNOLOGY	SPONSOR TECHNOLOGY DEVELOPMENT AND DEMOS	LEAD SYSTEM - ATF IDS IMIS ITDS MLCAD
INFRASTRUCTURE	CORPORATE ARCHITECTURE INTEROPERABILITY RQMTS	EDCARS JUSTIS
MANAGEMENT	CORPORATE PLANNING AND POLICY INTERFACE WITH INDUSTRY	CALS MGMT INTEGRATION OFFICE AFIT

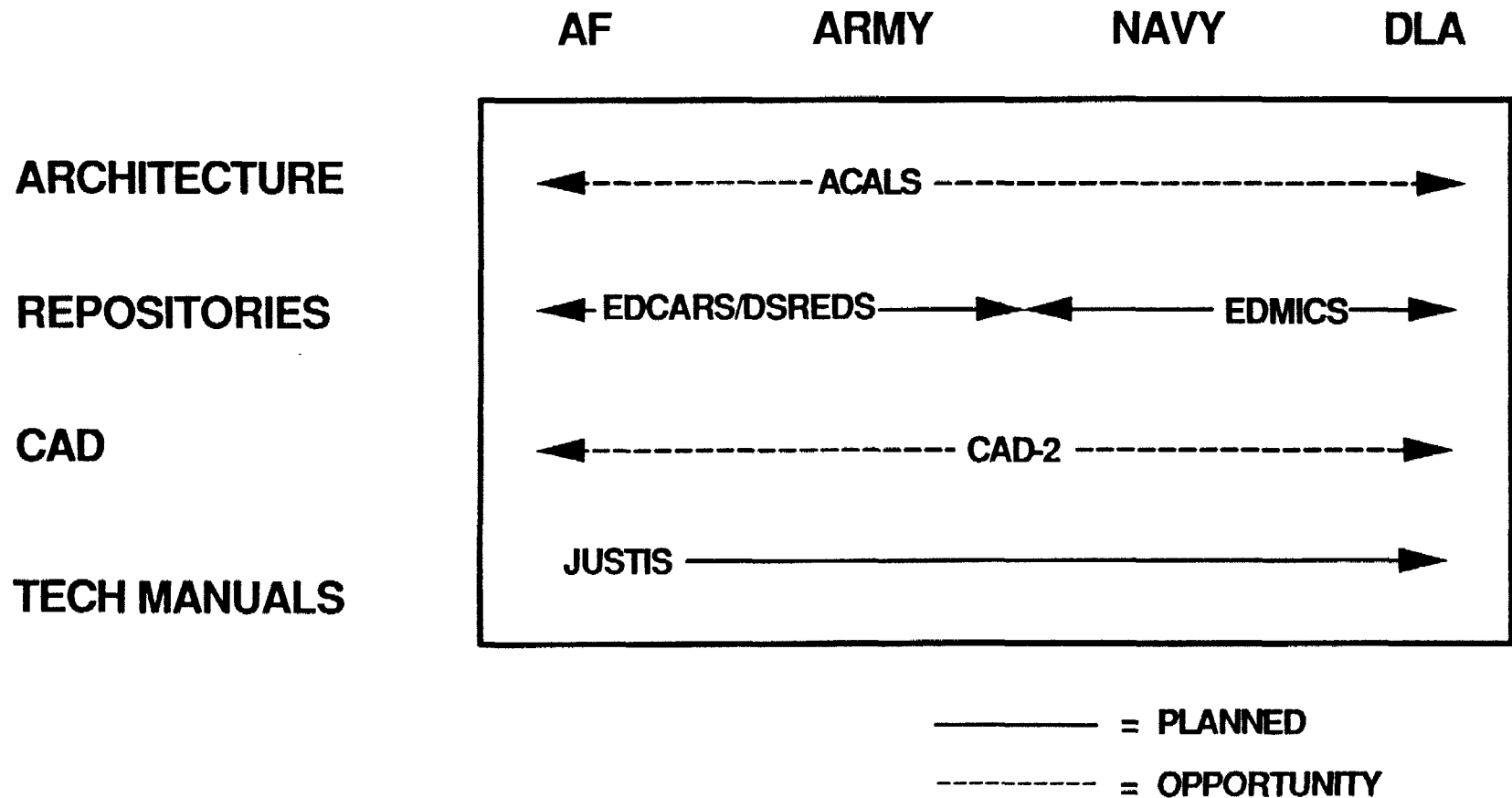
# DLA CALS IMPLEMENTATION

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	OSD	DLA
<b>STANDARDS</b>	DEVELOP AND TEST STANDARDS	IMPLEMENTED IN DLA CONTRACTS CALS TEST NETWORK PARTICIPATION
<b>ACQUISITION GUIDANCE</b>	ACQUISITION POLICY DEFENSE ACQUISITION REVIEWS	FOCUSING ON PARTS PROCUREMENT
<b>TECHNOLOGY</b>	SPONSOR TECHNOLOGY DEVELOPMENT AND DEMOS	CITIS TEST DATA SECURITY ISSUES
<b>INFRASTRUCTURE</b>	CORPORATE ARCHITECTURE INTEROPERABILITY RQMTS	EDMICS CTOL
<b>MANAGEMENT</b>	CORPORATE PLANNING AND POLICY INTERFACE WITH INDUSTRY	DLA CALS SUPPORT OFFICE SERVICE TRAINING ORG's

# CONTRIBUTION TO COMMON CALS IMPLEMENTATIONS

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# **CULTURAL CHANGE**

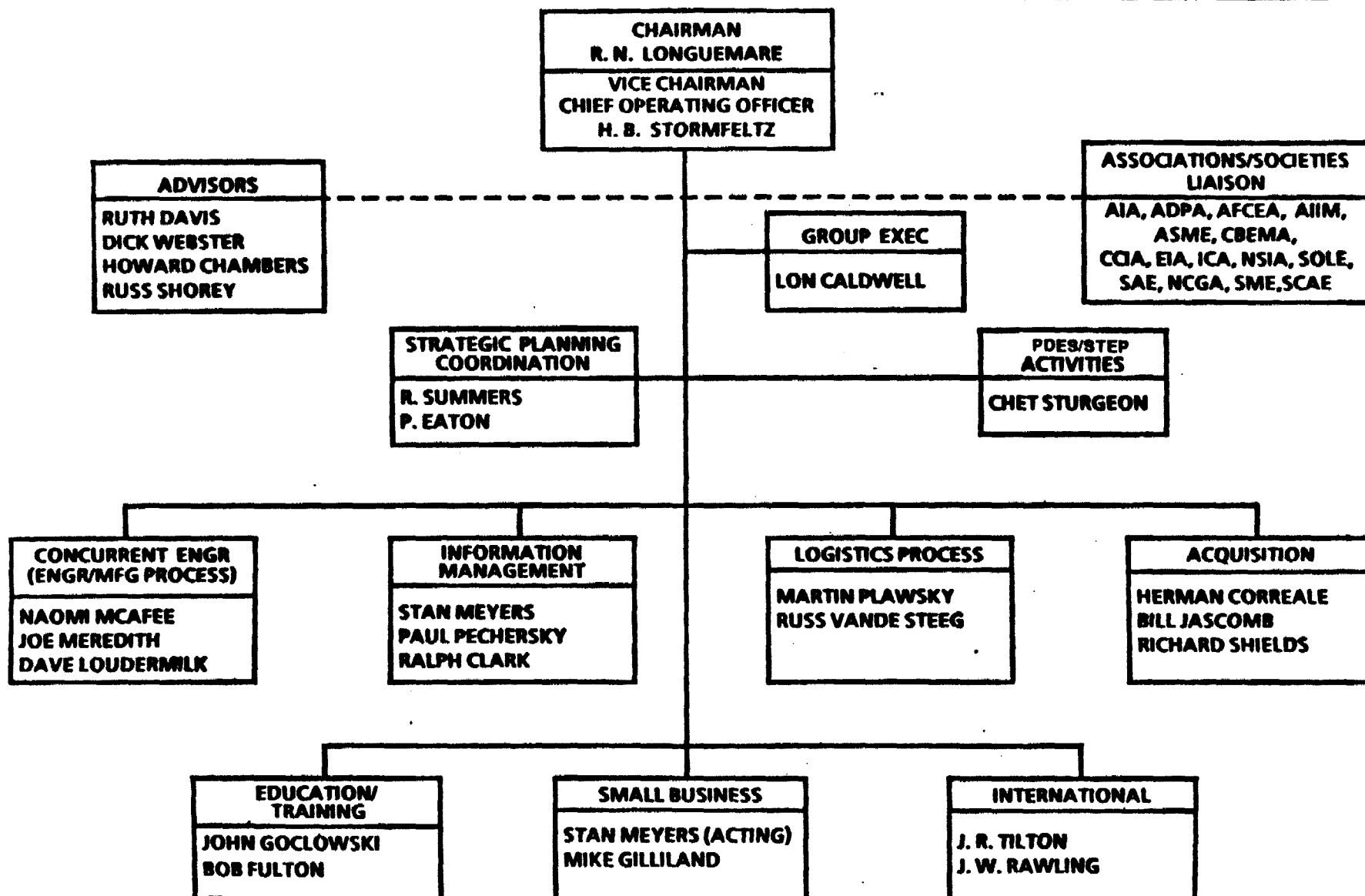
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- **REDESIGN OF FUNCTIONAL PROCESSES**
- **TRAINING AND EDUCATION**
- **SECURITY, PRIVACY, EXPORT CONTROLS**
- **PROFIT STRUCTURE, INVESTMENT INCENTIVES**
- **DELIVERY, VERIFICATION, ACCEPTANCE**
- **RIGHTS TO DATA, LEGAL LIABILITY**
- **INTERNATIONAL PROGRAMS**



# CALS / CE

## INDUSTRY STEERING GROUP



April 11, 1990

MEMORANDUM FOR THE RECORD

SUBJECT: In-Briefing for GAO Survey of CALS

At 1 p.m. today Burt Newlin, Nelson Miller, and I attended subject in-briefing, which was chaired by Joe Malloy of the DoD OIG.

Attached is listing of the GAO representatives, objectives, timeframes, and initial locations provided by John Stephenson, Assistant Director, who introduced his Director, Sam Bowlin, the survey leader, Sue Burns, and her staff assistant, Lourdes Rodriguez of the GAO Defense and Security Information Systems Directorate.

Mr. Stephenson said specific locations have not yet been identified, but that GAO would like to meet separately with the Services' CALS focal points.

Mr. McGrath suggested that GAO should meet first with the DoD CALS Steering Group to get a composite overview of CALS before getting into details of the Services programs. Mr. Stephenson agreed, provided that a meeting could be arranged promptly, say next week. Mr. McGrath agreed to set up a CALS Steering Group meeting to brief GAO on the overall DoD CALS Program. (The meeting will probably be Thursday afternoon, April 19, but could be as early as Tuesday or as late as Friday of that week.)

Mr. Stephenson said the 10 CALS projects in the DMR are Navy projects and asked how that came to pass. Mr. McGrath replied that, during the budget review, SECDEF asked each Service to propose projects for cost savings. Navy proposed to accelerate those 10 on-going projects to realize cost savings as soon as possible.


Mr. Stephenson said funding for the Navy CALS initiatives has been placed in the CIM central fund, and asked why. Mr. McGrath replied that, while the DMR initiatives were being identified the DoD Comptroller was setting up the CIM central fund, and the Comptroller put the funding for the Navy CALS initiatives in the CIM central fund to facilitate management.

A general discussion ensued about the overall relationship between the CALS program and the CIM program (e.g., is CALS a functional area under CIM, vice versa, and so on). Someone mentioned that the Air Force is offering up their Technical Order Management System (AFTOMS), a CALS-related system, to be a CIM DoD standard system, which they have renamed as the Joint Uniformed Services Technical Information System (JUSTIS).

Mr. Stephenson asked about the charter, scope, and role of the Executive Level Group (ELG). I said that we could provide detailed information about that. Mr. Stephenson said he had some information already. Nelson Miller suggested that GAO could talk with Bill Leary to get further information.

The meeting ended with agreement that Mr. McGrath would schedule a DoD CALS Steering Group meeting as soon as possible.

Recommend that Cindy Kendall, Bill Leary, and/or Bel Leong-Hong plan to attend the DoD CALS Steering Group meeting next week to discuss the ELG, CIM program, and relationship between them and the CALS program.

  
James L. Raney

cc:

Cindy Kendall  
Bel Leong-Hong  
Burt Newlin  
Nelson Miller

OPENING CONFERENCE  
APRIL 11, 1990  
SURVEY OF DOD'S EFFORTS TO IMPLEMENT  
THE COMPUTER-AIDED ACQUISITION  
AND LOGISTIC SUPPORT (CALS)  
JOB CODE 510547

U. S. GENERAL ACCOUNTING OFFICE

Sam Bowlin, Director Defense and Security Information Systems  
275-4649  
John Stephenson 275-4649  
Suzanne Burns 275-3509  
Lourdes Rodríguez 275-9771

FROM HOUSE ARMED SERVICES COMMITTEE REQUEST (OBJECTIVES)

To survey the status of individual CALS projects and the overall program.

To assess the coordination among DOD components and private industry and identify any problems or needed improvements.

To determine the basis for expected cost savings and other benefits.

To determine the relationships between the overall CALS, CALS as described in the DMR initiatives, and DOD's Corporate Information Management (CIM) initiative.

TIME FRAMES

Plan to complete survey work June 15, 1990.

At that time, we will meet with the Committee to provide CALS overview information and determine if a review phase is warranted.

INITIAL LOCATIONS

Department of Defense (DOD)  
Army Headquarters  
Navy Headquarters  
Air Force Headquarters  
Defense Logistic Agency (DLA)  
National Institute of Standards and Technology (NIST)  
Selected Industry/Steering Groups Representatives

# Instructions - file

INFORMATION SHEET - SERIES A  
9/87

## DEPARTMENT OF DEFENSE (DoD) PROCEDURES FOR PROCESSING, MONITORING AND MANAGING GENERAL ACCOUNTING OFFICE (GAO) SURVEYS AND REVIEWS

1. **Notices of GAO Surveys and Reviews.** By agreement, the GAO advises the DoD of its intent to conduct a survey or review by issuing a letter notice to the Secretary of Defense. The notice sets forth the primary area of interest, the intended audit scope, sites to be visited and gives the GAO six-digit assignment code. All work is identified by, and filed under, this six-digit number during the survey and review phases.
  - A notice of a survey indicates GAO intent to conduct a general assessment of the program, system, function, etc., identified in the notice. It is recognized that due to its more general nature, the notice may contain somewhat limited information on the intended scope of the survey. One objective will be to determine if a full review is warranted.
  - A notice of review indicates that the GAO has determined that a program, system, or functional area warrants a full review. The review notice should be specific as to the intended scope.
  - A survey or review notice should also indicate if it is congressionally requested. If there is no such indication, it can generally be assumed that the survey/review has been self-initiated by the GAO. (Sometimes a survey or review is self-initiated by the GAO, and then subsequently gains the sponsorship of a Congressional Committee or Member of Congress. This is something that needs to be watched during the course of the survey/review.)
  - The GAO is also supposed to notify the DoD when a survey transitions into a full review, but sometimes this is overlooked. The PAO and CAO action officers need to be on the alert to GAO decisions to expand from a survey to a review (see item 6).
2. **Tasking of Surveys and Reviews.** Upon receipt of a survey or review notice, the Office of the Defense Inspector General (DoD/OIG), Office of GAO Report Analysis, determines the appropriate primary action office (PAO), obtains the name of the PAO point of contact (who will act as the primary action officer) and issues a memorandum assigning responsibility for the GAO survey/review. With rare exception, the PAO is a component of the Office of the Secretary of Defense (OSD). (An advance copy of the GAO notice letter is sent to the PAO point of contact as soon as he/she is identified.) Collateral action offices (CAOs) are not designated at the survey/review stage. Instead, information copies are provided to the Services and a wide range of OSD Offices and Defense Agencies. The purpose of this distribution is to make sure that any DoD component that might be contacted by the GAO during the course of the audit work is advised of the survey/review.
  - When the GAO contacts a DoD component, whether the PAO, or one of the other cognizant offices, either in person or by telephone, the GAO representative should specify the applicable 6-digit GAO assignment code and the subject of the survey/review.
  - In some cases, the GAO will provide written Notice of a Visit to a DoD component. This notice identifies the applicable GAO assignment code, provides the name(s) of the GAO staff who will conduct the onsite work and certifies to the security clearance level of each evaluator/manager.
  - If the GAO representative cannot provide the applicable 6-digit assignment code number, he/she should be referred to the DoD/OIG, Office of GAO Report Analysis, to determine the purpose of the GAO visit/call. The DoD components should not provide information to the GAO unless it is in connection with a duly authorized survey or review.
  - If a GAO representative contacts a DoD component concerning a survey or review and identifies the 6-digit assignment code number, but the DoD representative has not received a copy of the DoD/OIG tasking memorandum (which includes a copy of the GAO notice) his/her component GAO audit liaison office should be contacted to determine whether the tasking memorandum has been received. If not, the liaison office should contact the DoD/OIG, Office of GAO Report Analysis. Meetings should never be scheduled or information released until the DoD/OIG tasking memorandum has been received, unless special telephone arrangements have been made through the DoD/OIG.
  - On occasion, due to time constraints, the GAO will telephonically request arrangement of an onsite visit before the survey or review notice can be tasked. In such cases, the DoD/OIG will contact the appropriate DoD components to make the arrangements. The GAO will be requested to present a copy of its letter notice at the time of the visit. The DoD/OIG will by tasking the survey or review, thus providing written confirmation of the verbal arrangements. Every effort is made to limit such requests.
3. **PAO Primary Point of Contact: Responsibilities.** The PAO is responsible for designating a primary point of contact for the survey or review. This is the key individual who acts as the OSD primary action officer until the case is completed--i.e., until either a report (or other document, such as testimony) is issued or the audit work is terminated.

- The PAO point of contact is responsible for monitoring those activities related to the GAO assignment code through ongoing contact with the GAO evaluators and with those components involved in the audit effort.
  - As soon as the notice of survey or review is received from the DoD/OIG, the OSD primary action officer should contact the GAO representative named in the letter notice to advise that he/she is the primary point of contact, to discuss the assignment and to obtain further information and/or clarification of the planned work. The action officer should immediately arrange an entrance conference (see item 4).
  - The PAO action officer should also contact the components expected to be involved and request input on any GAO contacts, requests for information, etc. The input can be formal or informal (whichever approach the primary action office chooses), but should ensure that the PAO is kept informed on the course of the GAO work and is alerted to any problem that may develop.
  - The OSD primary action officer should also regularly contact the GAO representative concerning status of the the survey/review, in order to stay informed on the progress of the GAO activities and to assure that an exit conference is scheduled with the PAO (see item 10). The GAO usually conducts field activity exits, but often neglects to conduct exit conferences with the OSD and Service/Defense Agency Headquarters staffs. The OSD primary action officer should insist on such an exit conference. If the GAO is not responsive, the DoD/OIG action officer should be notified immediately (see item 10).
  - DoD Directive 7650.2 requires the primary action officer to stay fully informed on GAO activities. He/she also advises the DoD/OIG on the progress of the GAO audit through regular status reports (see item 6).
4. Entrance Conference. The GAO should always conduct an entrance conference with the OSD primary action officer. The primary action officer should arrange the entrance conference when initially contacting the GAO (see item 3). A joint headquarters level entrance conference is preferable--i.e., one that includes all the cognizant DoD components. Such entrance conferences should be encouraged since they often provide valuable insight into survey/review objectives. They also provide an opportunity for the interested OSD Offices, the Services and the Defense Agencies to ask questions.
- If the initial entrance conference is limited to the GAO and the PAO, usually the GAO will also conduct at least a limited entrance conference with the Service(s) or Defense Agency Headquarters and with each DoD field activity visited.
  - Under certain circumstances, the GAO will request a joint headquarters-level entrance conference to initiate a survey or review. This usually occurs where the specific job is considered particularly important; or where time is extremely limited because of congressional interest; or when the GAO needs assistance in determining how and where to proceed to meet its audit objectives.
  - At the request of the primary action officer, the DoD/OIG, Office of GAO Report Analysis, will arrange the joint entrance conference.
5. Access to Records. Generally, the GAO has access to those records related to the subject area of the survey or review. DoD Directive 7650.1 sets forth the DoD policy related to the GAO access to records.
- The statute that provides GAO access to agency records is extremely broad; therefore, DoD components are requested to cooperate to the maximum extent possible (within DoD policy guidance) in providing the GAO with requested information/documents.
  - The GAO usually makes oral requests for information/documents, etc., while on-site. On occasion, the GAO will submit a special written request, or the survey or review notice will include a request for specific information. It is DoD policy to honor both oral and written information requests from the GAO, provided that it is releasable under the applicable statutes, directives, and policies.
  - If a DoD component questions the releasability of specific information and/or the GAO "need to know" with respect to classified material, it should be discussed with DoD/OIG the Office of GAO Report Analysis action officer. If, after such discussions, there is still doubt about releasability, this should be explained to the GAO. Outright denial should not, however, be made at this point. Instead, the GAO should be requested to submit a written request for the documents/information, addressed to the DoD/OIG, Office of GAO Report Analysis, setting forth the specific records being requested and explaining why they are needed in connection with the particular survey or review. If the GAO decides to pursue access and submits the written request, the DoD/OIG will transmit it to the PAO (with copies to other interested DoD components), and ask for a review to determine whether all or part of the data can be released. If the decision is to release the data, it should be provided to the GAO as quickly as possible and the DoD/OIG notified accordingly. If the decision is that some or all of the requested records cannot be released, the DoD/OIG should be notified in

writing, within 15 days, as to which specific information/documents cannot be released and the specific basis for the denial. Should informal efforts to resolve the access issue fail, an "access to records" problem exists. If the GAO continues to pursue the matter by issuing a formal 20-day demand letter, it will be referred to the OSD Office of General Counsel.

- If the GAO should request pre-award, procurement sensitive information, the GAO should be advised it is general policy that such information not be released until after a contract award is made--i.e., it is not really an access problem but more a problem of timing. If the GAO continues to push for the pre-award information, components should advise the GAO that such requests are reviewed on a "case-by-case" basis at the OSD level. Again, the GAO should write the DoD/OIG, Office of GAO Report Analysis, describing the specific information/documents being requested and why. Such a request will be reviewed by the Office of General Counsel, the Office of the Deputy Assistant Secretary of Defense for Contract Policy, and other cognizant DoD components to determine what, if any, pre-award information can be released.
6. **Status Reports.** The Secretary of Defense has requested the Inspector General to keep him informed of ongoing GAO activities--i.e., to provide early warnings of potential problem areas whenever possible. In tasking GAO survey and review notices, therefore, the OIG requests that the OSD primary action officers provide 90-day status reports on surveys and 60-day status reports on reviews. Occasionally, because of the critical nature and/or timing of the GAO audit work, 30-day status reports will be requested. A status report should include, but not necessarily be limited to, the following information:
- A summary of the substantive issues discussed by the GAO and DoD representatives.
  - A description of any significant development and/or potential finding, conclusion and recommendation arising from the GAO work.
  - A description of any corrective action planned or initiated by the DoD as a result of a GAO identified deficiency.
  - Any major change in scope or direction from that stated in the GAO survey/review notice. (This could result in the DoD/OIG going back to the GAO requesting that the DoD either be officially notified of the expanded scope or that GAO representatives stay within the initially described scope.)
  - For surveys, advice as to whether the GAO has expanded (or expects to expand) to a full review.
  - Any potential problem area surfacing as a result of the survey or review.
  - Advice as to whether a report will be issued and whether it appears the DoD will have an opportunity to comment.
  - If a report will not be issued, advice as to whether the GAO intends to prepare testimony or an oral briefing, or issue a statement of fact/observations to the Congress, etc. (see item 11).

The status reports need not be extensive, but should identify the current status, highlight what has occurred to date, provide pertinent observations, and identify any problems arising from the GAO survey/review. If an issue or problem is considered particularly serious or sensitive, a special status report should be prepared, instead of waiting to include the information in the 60- or 90-day status report. The exit conference serves as the final status report, unless the survey/review will continue even after a report is issued. (This situation occurs sometimes when the GAO issues an interim report, based on the its body of work to date, and intends to issue a final product. Also, some survey/review work is designed to produce multiple reports.)

7. **Written Comments/Responses to the GAO During Survey/Review Phase.** The DoD components should not provide the GAO with a written response on a survey or review work/questions, unless it has been coordinated with the DoD/OIG. In addition, the GAO sometimes develops a questionnaire as part of the survey or review information gathering process. The initial tasking memorandum or a subsequent additional informational memorandum (see item 8) will discuss the questionnaire, identify the type, explain whether the response is voluntary or required, etc., and will authorize the DoD components to complete and release such documents to the GAO. Unless a questionnaire has been authorized by the DoD/OIG, however, it should not be completed. Under no circumstance should a DoD component provide the GAO written comments on a preliminary draft report reviewed in an exit conference (see item 10). (A copy of any authorized correspondence should also be provided to the DoD/OIG, Office of GAO Reports Analysis.)
8. **Additional Information Received from the GAO.** As a survey or review progresses, the GAO often provides additional information concerning the assignment--i.e., advising of a change in scope, identifying additional activities to be visited, announcing the intent to use a questionnaire, etc. Additional information received from the GAO is automatically distributed to the PAO and the same DoD components/offices that received the original survey/review notice.
9. **Additional Information/Briefings Requested by the GAO.** On occasion, the GAO submits written questions to the DoD in connection with an ongoing survey or review. The GAO may also request

specific DoD briefings. Again, the DoD/OIG forwards these requests to the PAO and/or other cognizant offices. It is the DoD policy to comply with such requests whenever possible.

10. Exit Conferences. The GAO is supposed to conduct an exit conference with interested DoD components, but sometimes this is overlooked--particularly at the OSD and Service Headquarters level. The primary action officer, through his/her ongoing contact with the GAO (see item 3), should make sure the an exit conference is held.
  - Separate exit conferences may be arranged for various DoD components--for example, at the field activity where the audit work was done, with the Services(s) at the headquarters level and/or with the OSD.
  - Where feasible, however, a joint OSD/Service/Defense Agency Headquarters level exit conference should be arranged. At the request of the primary action officer, the DoD/OIG will arrange the joint exit conference.
  - At the exit conference, the GAO is encouraged to have a preliminary draft of the report available for discussion and review. This provides the best insight into the GAO audit findings and recommendations.
  - The DoD/OIG, Office of GAO Report Analysis action officer should always be advised in advance of the exit conference, and should always attend the exit conference, whether or not joint.
  - Always make sure the GAO understands that comments provided at exit conferences are unofficial. The only official DoD comments are those authorized by the DoD/OIG (whether oral or written) in response to a draft or final report.
11. Termination of Surveys/Reviews. The GAO is supposed to notify the DoD when it decides to terminate a survey or review without issuing an external report. The GAO notices of termination are distributed to the PAO and the same DoD components/offices that received the original survey/review notice.
  - The GAO sometimes overlooks issuing a termination notice to the DoD. The primary action officer, through his/her ongoing contacts with the GAO, may learn that a job has been terminated but the DoD has not been notified. The primary action officer should request the GAO to forward a termination notice and should notify the DoD/OIG, Office of GAO Report Analysis action officer.
  - On occasion, the GAO notifies the DoD that it is not proceeding with a survey or review, but at the same time presents observations based on the limited work performed. Notices of this type are processed as letter reports (rather than as terminations).
  - A survey or review may also result in congressional testimony, an informal statement of fact/observation, or an informal briefing, but without an external report being issued. Such documents are, for all practical purposes, reports. Wherever possible, the DoD/OIG, Office of GAO Report Analysis obtains a copy of the documents, which are then handled in the same manner as a report.
12. GAO Security Clearances. The GAO routinely issues notices of visit that include the name, social security number and security clearance information for the GAO evaluators assigned to the specific survey/review. The responsibility for assuring that a GAO representative has the proper clearance to review/receive classified information rests with the individual in the DoD providing the information. If a GAO representative does not provide the notice of visit and/or the DoD contact, for some reason, needs to check further, the GAO Office of Security and Safety should be contacted for verification of clearances. (In Washington, D.C., the GAO Personnel Security number is 202/275-4700.) Any question of security or problem with a GAO personnel security clearance, which cannot be resolved through usual channels, should be referred to the DoD/OIG, Office of GAO Report Analysis action officer.
13. Exceptions. This INFORMATION SHEET discusses the usual procedures for processing GAO surveys and reviews. In those cases that require special instruction, the DoD/OIG, will provide additional guidance in the survey/review tasking memorandum.
14. General. Staying informed on GAO survey/review activity depends on the efforts of the PAO, other interested DoD components, and the DoD/OIG working together closely. If there are questions or problems, the DoD/OIG Office of GAO Report Analysis action officer should be contacted for assistance.